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SUBJECT: MALI'S INPUT ON WEST AFRICA ICT CONFERENCE

REF: STATE 9659

¶1. In response to reftel, Embassy discussed the upcoming West Africa ICT conference in Accra with Dr. Mamadou Diallo, Telecommunications Specialist at the Ministry of Communications, who also attended the last ICT conference in San Francisco. He stated that mobile phone technology is the fastest growing sector in Mali. Many Malians forego even having a land line and buy cell phones directly. Although many Malians already use cell phones, there is still great opportunity for investment in this sector.

¶2. The biggest handicap for Mali is its sheer size. While a West African initiative to link fiber-optic cable to all the capitals has been completed in Mali, the distance covered here was only 1,500 km, which leaves the majority of the country still uncovered. This provides a potential investment opportunity to extend fiber optic cable to other regions of Mali.

¶3. Dr. Diallo believes that the presence of only two telecommunications companies in Mali -- French-owned Orange and the state-owned Sotelma--presents a problem. It creates a near monopoly situation where consumers have few options and prices remain high. The privatization of Sotelma, delayed the last couple of years, is scheduled for 2008. Six undisclosed buyers have expressed interest in the buy-out.

¶4. A further limitation to the growth of the telecom industry is the lack of qualified individuals with knowledge of new technologies. Diallo believes a technical university in Bamako would be a well-received investment.

¶5. Finally, the current infrastructure for internet service in Mali is very poor. Coverage only extends to major cities while the majority of the population lives in rural areas. Prices remain high and connection speeds slow, e.g. one month residential service at 128kb costs around USD 60 and one month service for a business at 512kb is almost USD 400.

¶6. For the conference, Diallo felt that private companies and all related associations should be invited to discuss the region's problems and opportunities. It appears to him that the sector is ripe for development where much investment is needed and Malian-American joint ventures would be welcome.

¶7. COMMENT: The Embassy agrees with Diallo's sentiments that the telecommunications sector offer American and other companies considerable investment opportunities.  
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